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C O R R E C T E D COPY CAPTION

STATE FOR EAP/TC, PM/DTCC AND ISN/MTR

PM/DTCC FOR BLUE LANTERN COORDINATOR RACHAEL-THERESE S. JOUBERT-LIN

E.O. 12958: N/A

TAGS: [ETTC](#) [KOMC](#) [TW](#)

SUBJECT: TAIWAN: RESULTS OF BLUE LANTERN BROKER CHECK K-2388

REF: STATE 99593

¶1. (SBU) Summary: Per reftel request, AIT/T Econ Officer and FN visited Sum-Mit Co. and interviewed the President, Mr. Joseph G.L. Cheng. Collected response shows the bona fides of the subject broker. End summary.

¶2. (SBU) The company was established in 1989 and now has 10 employees. The reference, provided by Mr. Cheng, of the company's address and contact information is identical to that stated in the company's registration form from the database of the Bureau of Foreign Trade, Ministry of Economic Affairs.

¶3. (SBU) The company serves as the sole agent in Taiwan for Philips and Essco, and as one of a few sales representatives for L3 systems. The company focuses on marketing radar systems and other related satellite and communication systems for these companies.

¶4. (SBU) Sum-Mit's major customers for defense-related articles are military units and the National Space Program Office (NSPO). It does not have customers outside of Taiwan.

¶5. (SBU) Sum-Mit's mission is market promotion. In other words, the company targets potential customers and introduces products for Philips or Essco to potential customers. When customers request more details about a product or a price quote, Sum-Mit will contact Philips or Essco for the customer and provide a response. When the order is placed, however, the customer will place the order directly with Philips or Essco. Therefore, Sum-Mit is not involved in finalizing contracts and the goods are delivered directly to the customer after its arrival in Taiwan.

¶6. (SBU) On some occasions, Mr. Cheng receives copies of contracts from Philips or Essco for future reference. Mr. Cheng is the only person in his company who has access to the contract files.

¶7. (SBU) The building in which Sum-Mit resides maintains a guard presence at the front desk. Upon entry, each visitor must obtain an elevator key programmed to access a specific floor. Sum-Mit does not maintain a warehouse facility, either on site or at another facility, and therefore does not maintain an inventory of products.

¶8. (SBU) Sum-Mit maintains contracts with Philips and Essco for market-promotion services, which is renewed every two years. In general, the commission Sum-Mit receives from these companies is approximately 2-3 percent of the trading value of the sales contracts that customers ultimately conclude with Philips and Essco.

¶9. (SBU) Neither AIT nor its Taiwan law-enforcement sources has derogatory information in its files concerning Sum-Mit Co. or Mr. Cheng.

